

Mr. William T. Cottle
 President and Chief Executive Officer
 STP Nuclear Operating Company
 South Texas Project Electric
 Generating Station
 P. O. Box 289
 Wadsworth, TX 77483

September 2, 1998

SUBJECT: NOTICE OF CONSIDERATION OF ISSUANCE OF AMENDMENT TO FACILITY OPERATING LICENSE, PROPOSED NO SIGNIFICANT HAZARDS CONSIDERATION DETERMINATION, AND OPPORTUNITY FOR HEARING - SOUTH TEXAS PROJECT, UNITS 1 AND 2 (STP) (TAC NOS. MA3452 AND MA3453)

Dear Mr. Cottle:

The Commission has requested the Office of the Federal Register to publish the enclosed "Notice of Consideration of Issuance of Amendment to Facility Operating License, Proposed No Significant Hazards Consideration Determination, and Opportunity for Hearing." This notice relates to your application dated August 28, 1998. The proposed amendment would modify Technical Specification 4.0.5 to state that the inservice testing requirement for exercise testing in the closed direction for specified Unit 1 containment isolation valves shall not be required until the next plant shutdown to Mode 5 of sufficient duration to allow the testing or until the next refueling outage scheduled in March 1999.

Sincerely,
ORIGINAL SIGNED BY:
 Thomas W. Alexion, Project Manager
 Project Directorate IV-1
 Division of Reactor Projects III/IV
 Office of Nuclear Reactor Regulation

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Docket Nos. 50-498 and 50-499

Enclosure: Notice of Consideration

cc w/encl: See next page

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 TAlexion ACRS JHannon CHawes OGC
 GHill (4) EAdensam(EGA1)

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UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

September 2, 1998

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President and Chief Executive Officer
STP Nuclear Operating Company
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P. O. Box 289
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OPERATING LICENSE, PROPOSED NO SIGNIFICANT HAZARDS
CONSIDERATION DETERMINATION, AND OPPORTUNITY FOR HEARING -
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Sincerely,

A handwritten signature in cursive script that reads "Thomas W. Alexion".

Thomas W. Alexion, Project Manager
Project Directorate IV-1
Division of Reactor Projects III/IV
Office of Nuclear Reactor Regulation

Docket Nos. 50-498 and 50-499

Enclosure: Notice of Consideration

cc w/encl: See next page

Mr. William T. Cottle
STP Nuclear Operating Company

South Texas, Units 1 & 2

cc:

Mr. David P. Loveless
Senior Resident Inspector
U.S. Nuclear Regulatory Commission
P. O. Box 910
Bay City, TX 77414

Jack R. Newman, Esq.
Morgan, Lewis & Bockius
1800 M Street, N.W.
Washington, DC 20036-5869

A. Ramirez/C. M. Canady
City of Austin
Electric Utility Department
721 Barton Springs Road
Austin, TX 78704

Mr. Lawrence E. Martin
Vice President, Nuc. Assurance & Licensing
STP Nuclear Operating Company
P. O. Box 289
Wadsworth, TX 77483

Mr. M. T. Hardt
Mr. W. C. Gunst
City Public Service Board
P. O. Box 1771
San Antonio, TX 78296

Office of the Governor
ATTN: John Howard, Director
Environmental and Natural
Resources Policy
P. O. Box 12428
Austin, TX 78711

Mr. G. E. Vaughn/C. A. Johnson
Central Power and Light Company
P. O. Box 289
Mail Code: N5012
Wadsworth, TX 74483

Jon C. Wood
Matthews & Branscomb
One Alamo Center
106 S. St. Mary's Street, Suite 700
San Antonio, TX 78205-3692

INPO
Records Center
700 Galleria Parkway
Atlanta, GA 30339-3064

Arthur C. Tate, Director
Division of Compliance & Inspection
Bureau of Radiation Control
Texas Department of Health
1100 West 49th Street
Austin, TX 78756

Regional Administrator, Region IV
U.S. Nuclear Regulatory Commission
611 Ryan Plaza Drive, Suite 400
Arlington, TX 76011

Jim Calloway
Public Utility Commission of Texas
Electric Industry Analysis
P. O. Box 13326
Austin, TX 78711-3326

D. G. Tees/R. L. Balcom
Houston Lighting & Power Co.
P. O. Box 1700
Houston, TX 77251

Judge, Matagorda County
Matagorda County Courthouse
1700 Seventh Street
Bay City, TX 77414

UNITED STATES NUCLEAR REGULATORY COMMISSION

STP NUCLEAR OPERATING COMPANY

DOCKET NOS. 50-498 AND 50-499

NOTICE OF CONSIDERATION OF ISSUANCE OF AMENDMENT TO
FACILITY OPERATING LICENSE, PROPOSED NO SIGNIFICANT HAZARDS
CONSIDERATION DETERMINATION, AND OPPORTUNITY FOR A HEARING

The U.S. Nuclear Regulatory Commission (the Commission) is considering issuance of an amendment to Facility Operating License Nos. NPF-76 and NPF-80, issued to STP Nuclear Operating Company, (STPNOC, the licensee), for operation of the South Texas Project, Units 1 and 2 (STP), located in Matagorda County, Texas.

The proposed amendment would modify Technical Specification (TS) 4.0.5 to state that the inservice testing requirement for exercise testing in the closed direction for specified Unit 1 containment isolation valves shall not be required until the next plant shutdown to Mode 5 of sufficient duration to allow the testing or until the next refueling outage scheduled in March 1999.

The licensee orally requested a Notice of Enforcement Discretion (NOED) on August 27, 1998 (this was followed up by letter dated August 28, 1998). The NRC orally issued the NOED at 5:00 p.m. EDT on August 27, 1998. Pursuant to NRC's policy regarding exercise of discretion for an operating facility, set out in Section VII.c, of the "General Statement of Policy and Procedures for NRC Enforcement Actions" (Enforcement Policy), NUREG-1600, the letter documenting the issuance of the NOED was dated August 31, 1998. The NOED was to be

effective until the next refueling outage or cold shutdown period of sufficient duration or until such time as a proposed TS amendment is reviewed and approved by the NRC.

Before issuance of the proposed license amendment, the Commission will have made findings required by the Atomic Energy Act of 1954, as amended (the Act) and the Commission's regulations.

Pursuant to 10 CFR 50.91(a)(6) for amendments to be granted under exigent circumstances, the NRC staff must determine that the amendment request involves no significant hazards consideration. Under the Commission's regulations in 10 CFR 50.92, this means that operation of the facility in accordance with the proposed amendment would not (1) involve a significant increase in the probability or consequences of an accident previously evaluated; (2) create the possibility of a new or different kind of accident from any accident previously evaluated; or (3) involve a significant reduction in a margin of safety. As required by 10 CFR 50.91(a), the licensee has provided its analysis of the issue of no significant hazards consideration, which is presented below:

1. Does the change involve a significant increase in the probability or consequences of an accident previously evaluated?

No.

The proposed change would relieve the requirement to apply Surveillance 4.0.5 to the subject check valves. Specifically, STPNOC would not have to perform the ASME Section XI exercise of the valves. Neither the valves nor the systems of which they are a part are accident initiators. The proposed change is essentially a deferral of surveillance test intervals, which has no potential effect on accident initiation. Therefore, there is no significant increase in the probability of occurrence of an accident previously evaluated in the Safety Analysis Report.

Previous testing of the valves has demonstrated that they are capable of performing their design function. Therefore, the systems of which they are a part would be expected to perform accident mitigation and safe shutdown functions as designed. There is no effect on safety analysis assumptions from the proposed discretion. Consequently, there is no significant increase in the consequences of an accident previously evaluated in the Safety Analysis Report.

There is no significant increase in the probability of malfunction of equipment important to safety previously evaluated in the Safety Analysis Report because past leak testing of the subject check valves has shown the valves to be able to close and seal as required. The extended surveillance test interval involves no challenge to the function of the valves.

2. Does the change create the possibility of a new or different kind of accident from any accident previously evaluated?

No.

The effect of the proposed change is to extend the surveillance test interval. This extension has no effect on the way the subject systems are operated, nor does it affect the configuration of the station. It does not introduce the potential for any new failure modes. Therefore, the change does not involve a possibility of an accident or malfunction of a different type than any evaluated previously in the Safety Analysis Report.

3. Does this change involve a significant reduction in a margin of safety?

No.

The proposed extension of the testing will not affect a margin of safety for any Technical Specification because there is no change in the design functions or performance of any of the subject systems. All design margins remain unchanged from the existing design basis. Therefore, the proposed extension of the testing does not involve a significant reduction in a margin of safety.

The NRC staff has reviewed the licensee's analysis and, based on this review, it appears that the three standards of 10 CFR 50.92(c) are satisfied. Therefore, the NRC staff proposes to determine that the amendment request involves no significant hazards consideration.

The Commission is seeking public comments on this proposed determination. Any comments received within 14 days after the date of publication of this notice will be considered in making any final determination.

Normally, the Commission will not issue the amendment until the expiration of the 14-day notice period. However, should circumstances change during the notice period, such that

failure to act in a timely way would result, for example, in derating or shutdown of the facility, the Commission may issue the license amendment before the expiration of the 14-day notice period, provided that its final determination is that the amendment involves no significant hazards consideration. The final determination will consider all public and State comments received. Should the Commission take this action, it will publish in the FEDERAL REGISTER a notice of issuance. The Commission expects that the need to take this action will occur very infrequently.

Written comments may be submitted by mail to the Chief, Rules and Directives Branch, Division of Administrative Services, Office of Administration, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, and should cite the publication date and page number of this FEDERAL REGISTER notice. Written comments may also be delivered to Room 6D59, Two White Flint North, 11545 Rockville Pike, Rockville, Maryland, from 7:30 a.m. to 4:15 p.m. Federal workdays. Copies of written comments received may be examined at the NRC Public Document Room, the Gelman Building, 2120 L Street, NW., Washington, DC.

The filing of requests for hearing and petitions for leave to intervene is discussed below.

By October 8, 1998, the licensee may file a request for a hearing with respect to issuance of the amendment to the subject facility operating license and any person whose interest may be affected by this proceeding and who wishes to participate as a party in the proceeding must file a written request for a hearing and a petition for leave to intervene. Requests for a hearing and a petition for leave to intervene shall be filed in accordance with the Commission's "Rules of Practice for Domestic Licensing Proceedings" in 10 CFR Part 2. Interested persons should consult a current copy of 10 CFR 2.714 which is available at the Commission's Public Document Room, the Gelman Building, 2120 L Street, NW., Washington, DC, and at the local public document room located at the Wharton County Junior College, J.M.

Hodges Learning Center, 911 Boling Highway, Wharton, TX 77488. If a request for a hearing or petition for leave to intervene is filed by the above date, the Commission or an Atomic Safety and Licensing Board, designated by the Commission or by the Chairman of the Atomic Safety and Licensing Board Panel, will rule on the request and/or petition; and the Secretary or the designated Atomic Safety and Licensing Board will issue a notice of hearing or an appropriate order.

As required by 10 CFR 2.714, a petition for leave to intervene shall set forth with particularity the interest of the petitioner in the proceeding, and how that interest may be affected by the results of the proceeding. The petition should specifically explain the reasons why intervention should be permitted with particular reference to the following factors: (1) the nature of the petitioner's right under the Act to be made a party to the proceeding; (2) the nature and extent of the petitioner's property, financial, or other interest in the proceeding; and (3) the possible effect of any order which may be entered in the proceeding on the petitioner's interest. The petition should also identify the specific aspect(s) of the subject matter of the proceeding as to which petitioner wishes to intervene. Any person who has filed a petition for leave to intervene or who has been admitted as a party may amend the petition without requesting leave of the Board up to 15 days prior to the first prehearing conference scheduled in the proceeding, but such an amended petition must satisfy the specificity requirements described above.

Not later than 15 days prior to the first prehearing conference scheduled in the proceeding, a petitioner shall file a supplement to the petition to intervene which must include a list of the contentions which are sought to be litigated in the matter. Each contention must consist of a specific statement of the issue of law or fact to be raised or controverted. In addition, the petitioner shall provide a brief explanation of the bases of the contention and a

concise statement of the alleged facts or expert opinion which support the contention and on which the petitioner intends to rely in proving the contention at the hearing. The petitioner must also provide references to those specific sources and documents of which the petitioner is aware and on which the petitioner intends to rely to establish those facts or expert opinion. Petitioner must provide sufficient information to show that a genuine dispute exists with the applicant on a material issue of law or fact. Contentions shall be limited to matters within the scope of the amendment under consideration. The contention must be one which, if proven, would entitle the petitioner to relief. A petitioner who fails to file such a supplement which satisfies these requirements with respect to at least one contention will not be permitted to participate as a party.

Those permitted to intervene become parties to the proceeding, subject to any limitations in the order granting leave to intervene, and have the opportunity to participate fully in the conduct of the hearing, including the opportunity to present evidence and cross-examine witnesses.

If the amendment is issued before the expiration of the 30-day hearing period, the Commission will make a final determination on the issue of no significant hazards consideration. If a hearing is requested, the final determination will serve to decide when the hearing is held.

If the final determination is that the amendment request involves no significant hazards consideration, the Commission may issue the amendment and make it immediately effective, notwithstanding the request for a hearing. Any hearing held would take place after issuance of the amendment.

If the final determination is that the amendment request involves a significant hazards consideration, any hearing held would take place before the issuance of any amendment.

A request for a hearing or a petition for leave to intervene must be filed with the Secretary of the Commission, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, Attention: Rulemakings and Adjudications Staff, or may be delivered to the Commission's Public Document Room, the Gelman Building, 2120 L Street, NW., Washington, DC, by the above date. A copy of the petition should also be sent to the Office of the General Counsel, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, and to Jack R. Newman, Esq., Morgan, Lewis & Bockius, 1800 M Street, N.W., Washington, D.C. 20036-5869, attorney for the licensee.

Nontimely filings of petitions for leave to intervene, amended petitions, supplemental petitions and/or requests for hearing will not be entertained absent a determination by the Commission, the presiding officer or the presiding Atomic Safety and Licensing Board that the petition and/or request should be granted based upon a balancing of the factors specified in 10 CFR 2.714(a)(1)(i)-(v) and 2.714(d).

For further details with respect to this action, see the application for amendment dated August 28, 1998, which is available for public inspection at the Commission's Public Document Room, the Gelman Building, 2120 L Street, NW., Washington, DC, and at the local public document room, located at the Wharton County Junior College, J.M. Hodges Learning Center, 911 Boling Highway, Wharton, TX 77488.

Dated at Rockville, Maryland, this 2nd day of September 1998.

FOR THE NUCLEAR REGULATORY COMMISSION



Thomas W. Alexion, Project Manager
Project Directorate IV-1
Division of Reactor Projects III/IV
Office of Nuclear Reactor Regulation